



*Commissioners*

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BPA Transmission Services  
VIA Email: [techforum@bpa.gov](mailto:techforum@bpa.gov)

RE: Comments on Transmission Cost of Service Analysis Workshop Process

Clark would like to thank BPA for effectuating the TS-12 Transmission Settlement language providing for, among other things, "...an open and collaborative forum to define the parameters of a cost of service study that includes consideration of alternative methodologies for allocating demand-related costs and that determines the costs of BPA's major transmission services..." Clark appreciates the opportunity to comment on the three cost allocation methodologies identified in the Cost of Service Analysis Workshop (COSA) process. In addition to these comments we strongly support those submitted by the NT Customers.

Since 2006 Clark has waited patiently for BPA to revisit the allocation of costs between the NT and PTP transmission segments. In 2006 BPA brought it to the attention of customers that the Transmission Business Line's transmission loading pattern would support the use of a 12 CP divisor for allocating costs between the network rate classes. At that time, and contrary to cost causation principles, BPA decided against using the 12 CP methodology for allocating costs. It is now 2012 and, as the facts presented by the recent COSA process indicate, the loading pattern continues to support the use of a 12 CP divisor. In fact, based on the principles discussed in the COSA process there are no FERC or Industry accepted justifications for using anything but a 12 CP divisor for allocation of costs between BPA's network segments.

As BPA moves towards a FERC reciprocity tariff it is of the utmost importance for BPA to also put forth and adopt the most accurate FERC approved methodology for cost allocation between BPA's major transmission services. That methodology is the twelve monthly coincident peak allocation methodology or 12 CP divisor. The analysis and justification for allocation of costs based on a 12 CP system are well documented and based on widely accepted allocation principles both at FERC and within the industry. A decision to deviate from the 12 CP methodology would be a decision to continue subsidizing the PTP segment at the expense of NT customers.

BPA should adhere to cost causation principles and the facts established in the Transmission Cost of Service Analysis Workshop. Attempts to mitigate the impacts on rates to certain customer classes should be addressed in the formal rate case. To this end Clark urges BPA adopt the 12 CP allocation methodology.